

**House Transportation and Infrastructure Committee  
Subcommittee on Highways and Transit**

**May 10, 2007**

**Testimony from Peter Varga,  
Executive Director, Chief executive Officer  
Interurban Transit Partnership  
Grand Rapids, Michigan**

Chairman DeFazio, Congressman Ehlers, and distinguished members of the Subcommittee, I am Peter Varga, Executive Director and Chief Executive Officer of the Interurban Transit Partnership ("The Rapid" as it is referred to locally). The Rapid operates 19 fixed bus routes and carries nearly 7.4 million riders per year. Ridership has grown by 43% since 2000.

The Grand Rapids region began a study of transit options in early 2003 as part of a Major Investment Study ("MIS") to consider the most appropriate technology and project corridors for an expansion of transit service through the New Starts program for the region. As the MIS was being conducted, which we refer to locally as "Great Transit, Grand Tomorrows" (GT2), Congress adopted the Small Starts program as part of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users ("SAFETEA-LU"). We quickly shifted our focus to the new Small Starts program since it provided an opportunity to develop a transit project that was consistent with the scale of project most appropriate for Grand Rapids.

Two separate projects emerged from the MIS - (1) a 10 mile Bus Rapid Transit ("BRT") project from downtown Grand Rapids south along Division Street that will include service to the cities of Grand Rapids, Wyoming and Kentwood, as well as the townships of Gaines and Byron, and (2) a downtown streetcar circulator of approximately 2.2 miles in length that will connect major destinations and trip generators in the downtown. However, only the BRT will be submitted under the Very Small Starts program while local and private sector funds will be sought for the downtown streetcar circulator. My testimony will focus on how that decision was made and the impact of the Federal Transit Administration ("FTA") FY 2008 Small Starts Guidance and the impact of the establishment of a Very Small Starts program on that decision.

As you know, the Very Small Starts program provided a reduced project review and evaluation process for those projects with the following characteristics:

- a total capital cost of less than \$50 million
- per mile cost less than \$3 million (excluding vehicles)
- operate at least fourteen hours per day, with ten minutes peak.15 minute off peak headways
- in corridors that currently carry at least 3,000 rider per day,
- substantial transit stations,
- signal priority/preemption, and,
- low-floor vehicles or level boarding.

Projects containing these characteristics, after preparing basic information about the project, would receive a "medium" rating on each of the principal criteria - cost effectiveness, land use, and effect on local economic development.

In contrast, a streetcar project would be required to prepare information pursuant to a reduced New Starts process and would be subject to the current measure for cost effectiveness. Moreover, the effect of the project on economic development would be relegated to being considered an "other factor" and not given the same weight as the other criteria.

The Grand Rapids region quickly concluded that under the FTA criteria for the Small Starts and Very Small Starts program that the greatest prospect for securing federal funding would be realized by pursuing funding for the BRT project through the Very Small Starts program. Therefore, we have worked closely with FTA over the past several months as we have developed the supporting documentation to seek FTA approval to advance the BRT project into the next phase - project development. FTA has given us invaluable technical assistance through this process.

The Board of The Rapid approved the BRT project as its Locally Preferred Alternative on January 24, 2007 and two weeks ago the Grand Valley Metropolitan Council, the metropolitan planning organization for our region, approved the inclusion of the BRT project on the regional Transportation Improvement Program. We will be submitting our project information to FTA this Summer and seeking approval to enter PD later this year.

There continues to be considerable interest in the downtown circulator streetcar project. However, a decision was made not to seek Small Starts funding because the project would not meet the eligibility criteria for the Very Small Starts program, based on the \$60 million cost of the project, and the fact that the Small Starts program, as implemented to date by FTA, does not establish a project approval framework that is favorable to streetcar projects. Thus, we will seek to build the project without Federal funding.

You might ask why we believe that the project would not fare well under the current Small Starts program criteria. First, we understood the Small Start program to offer a simplified process, but the process established by FTA is essentially the existing New Starts project approval process which is very data and time intensive. Second, we understood that it was the intent of Congress to place a greater emphasis on land use and the effect of a project on economic development, but FTA has opted to relegate economic development to an "other factor" and maintain the project approval process used for the New Starts program. It is our understanding that FTA has taken the position that the Congress was not clear that cost effectiveness, land use and the effect of the project on economic development are to receive equal weight in the project review and evaluation process. Any legislative language or other directive to FTA to clarify your intent would be very helpful in reinforcing the change in the law made by Congress.

Third, FTA continues to rely on a cost effectiveness measure that places an emphasis on long distance trips and comparing options based on travel times which is not the transportation role for a streetcar project. Fourth, a review of the FY 2008 and proposed FY 2009 Guidance would indicate that FTA does not embrace streetcars based on the fact that project sponsors can't count

pedestrian trips generated as a result of the availability of the streetcar, the reluctance to develop and implement a measure for the effect of a project on economic development even as the statute requires the agency to do so, and the lack of recognition of ability of a streetcar operating in a denser urban environment to eliminate auto trips due to its accessibility and availability. Thus, while we will proceed with the BRT project through the Very Small Starts program, we remain interested in a streetcar project and would seek federal funding if the project review criteria were revised by FA.

Thank you for the opportunity to testify before the Subcommittee today and to present our perspectives on the Small Starts program.